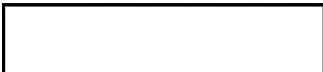


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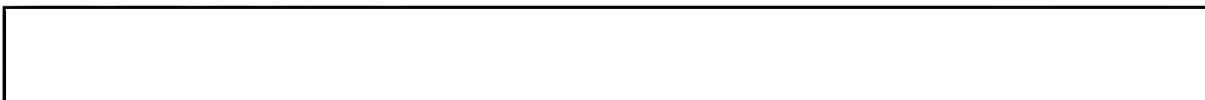
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CENTRAL INTELLIGENCE BULLETIN

CURRENT INTELLIGENCE
RELATING TO NATIONAL SECURITY

State Dept., JCS reviews completed



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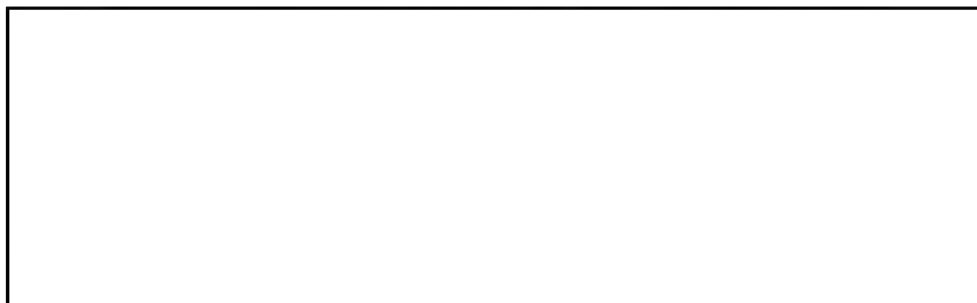
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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

South Vietnam: Personnel shortages in South Vietnam's armed forces are contributing to weakening the military effort against the Viet Cong.

Since last October, South Vietnam's military strength has declined steadily. The regular and paramilitary forces are now almost 43,000 below authorized levels. Latest strength figures are 207,000 for the regular forces, and 177,000 for the paramilitary.

The shortages result from a combination of a rising desertion rate and failure to fulfill conscription quotas. These difficulties, in turn, reflect both the Vietnamese Government's archaic methods of paying the armed forces and the corrosive effect of steady Viet Cong pressures.

Desertions reached over 5,000 per month after last November's coup and rose to more than 8,500 in March, after a slight dip in February. As against 36,400 reported desertions in 1963, nearly 27,000 of which were from the paramilitary, there have been 19,500 in the first quarter this year, with over 14,000 from paramilitary units. The average monthly desertion rate for regular forces so far this year is about 1,600 as against 760 in 1963.

[Vietnamese leaders are taking remedial steps and are confident that the armed forces will be up to authorized strength by July. American officials estimate, however, that even if recruitment picks up, the strength of combat units will continue to decline at least until August.]

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Indonesia: There are signs of an imminent showdown in northern Sumatra between government security forces and Communist agitators bent on anti-American action.

Plans by Communist labor unions for strikes and for takeovers of American estates [] have been broadened to include strikes against government estates. Managers of American-owned rubber estates report that work slowdowns, growing worker recalcitrance, and some flash strikes have developed recently.

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Police units in northern Sumatra have been placed on a 24-hour alert, and army units apparently have been readied to support them if needed. Security forces continue to guarantee personal safety for Americans, but the government would be hard pressed to maintain control if disturbances became widespread.

The militant Communist elements in this area have been agitating against Western interests for some weeks. Thus far, they have been kept from direct action by Djakarta's firm political disapproval and by local security measures. There is danger, however, that the Communists may be able to seize on or generate a pretext for sudden violence. []

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DAILY BRIEF

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Cuba: The Cuban Government, aware of the impact in Western Europe of the recent French decision to grant it credit guarantees, is making strenuous efforts to obtain credits for needed industrial and transportation equipment in other Western countries.

The Dutch NATO representative has informed US Ambassador Finletter that Cuba is still endeavoring to send a trade mission to the Netherlands. He said his government had been trying to block this, but will find it difficult to do so now because of the French deal with Cuba.

The Belgian representative told Finletter that, because of British and French actions, he does not see how Belgium can hold the line against granting credit guarantees to Cuba.

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DAILY BRIEF

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Cyprus:

highly critical of recent actions of the Turkish Cypriots and the Turkish Government.

expressed sympathy for the Turkish Cypriot position, and believes the Turkish Cypriots, as the much smaller group,

however, that in actuality, Turkish Cypriot elements have persisted in provoking clashes with much larger Greek Cypriot forces. further feels that Turkey's smuggling of arms and, possibly, personnel into western Cyprus will encourage irresponsible Turkish Cypriots to undertake new provocations.

criticized Ankara for continuing to hold out the hope of eventual Turkish military intervention by such moves as flying Turkish Air Force jets over western Cyprus and apparently ordering the Turkish Cypriots to build a new airfield.

"urgent" for the Turkish Government to bring irresponsible elements within the Turkish Cypriot emergency force under firm control. Failure to do this, probably would lead to massive Greek Cypriot retaliation and force Ankara to choose between intervention or "abandonment" of the Turkish Cypriot community.

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DAILY BRIEF

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Lebanon: President Shihab, who earlier had indicated that he probably would stand for re-election this year, now says that he has decided to step down.

If this latest decision holds, it will result in an open race for the presidency and probably lead to increased political and religious tension.

By unwritten agreement, Lebanese presidents are Maronite Christians, and the prime ministers are Sunni Muslims. Other top state offices are distributed among smaller religious groups.

Political and military leaders who have been urging Shihab to run again probably will proceed with plans to remove a constitutional prohibition against a president's succeeding himself in hopes that he will change his mind. Shihab might still succumb to a "draft", even though his oft-expressed distaste for politics appears to be sincere. Many Lebanese believe that he is the only leader who can save the country from another period of political violence.

Opposition to Shihab's staying in office comes principally from certain Christian leaders, including former President Chamoun and Maronite Patriarch Maushi. There is deep resentment over the role the government is said to have played in the defeat of Chamoun and another prominent anti-Shihab Christian in the parliamentary elections just concluded.

Further maneuvering will follow the convening of the new parliament next week. The parliament will elect the next president, probably in August.

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DAILY BRIEF

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Britain-Aden: [London is planning more forceful action to counter Egyptian subversive activity against South Arabia and the strategically important base at Aden.]

[British Ambassador Beeley is seeking to impress upon Egyptian President Nasir the seriousness with which Britain views the increasingly vitriolic propaganda attacks upon the British position in South Arabia, and the threat posed to British-protected sheikdoms by dissident tribesmen spurred on and aided by Egyptians.]

[According to a Foreign Office official, the British plan to launch a countersubversion campaign against the Egyptians in the border areas of Qataba and Baidha where anti-Egyptian sentiment is believed to be rampant. They believe they have a reasonable chance of disrupting Egyptian subversive bases there.]

[The official indicated that London was determined to defend its legitimate interests in South Arabia.]

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DAILY BRIEF

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*Laos: The Pathet Lao may be preparing to set up a separatist government outside Vientiane.

There have been recurrent reports over the past several months that the Pathet Lao had formed a shadow government as a contingency measure. Several Pathet Lao and left-wing neutralist members of the present coalition were slated to serve as the nucleus of this government.

Recent Communist propaganda suggests that the 19 April coup has lent impetus to preparations for such a move.

Pathet Lao spokesmen increasingly have drawn a distinction between the "coalition government"--which they say will "exist no matter how the situation in the country develops"--and an "illegal new government" which might be imposed by the coup group.

Meanwhile, the Pathet Lao have adopted a tougher line in their protests against rightist actions in Vientiane. A spokesman yesterday warned that the Pathet Lao would fight--"maybe militarily, maybe politically"--any moves to change the cabinet without tripartite approval. He added that if the Pathet Lao were "forced out" of Vientiane, there would be "partition and civil war."

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DAILY BRIEF

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*South Vietnam - Cambodia: Another serious border incident has occurred between South Vietnam and Cambodia.

Cambodia charges that 13 South Vietnamese M-113 armored personnel carriers penetrated two-and-a-half kilometers into Svay Rieng Province yesterday, firing on village inhabitants and clashing with local Cambodian forces. Six Cambodian troops--including the provincial guard chief--were killed and four wounded, according to a circular note sent by the Cambodian Government to foreign missions in Phnom Penh. Cambodia has invited diplomatic and press representatives to investigate, and the US Army Attaché has gone to the scene.

From Saigon, MACV reports that a South Vietnamese M-113 was hit and set on fire by a Cambodian armored vehicle in an apparent follow-up action in the incident area. An aircraft attempting visual observation received groundfire according to the report. The M-113 was identified by MACV as part of a security force operating against Viet Cong forces which have been harassing South Vietnamese border posts in recent days.

Sihanouk's reaction is not yet known. Following the 19 March incident at Chantrea in the same general area, he warned that Cambodia would take drastic diplomatic action if another serious border incident occurred. At that time he threatened to seek recognition of Cambodia's borders from Hanoi.

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NOTES

Kashmir: [The current talks on the status of Kashmir between Nehru and the recently released Kashmiri leader, Sheikh Abdullah, have not developed much beyond an exchange of generalities.]

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Nehru]

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will try to string out the talks but will not alter his basic position that Kashmir is an integral part of India, although he might ultimately agree to broaden Kashmir's internal autonomy.

Abdullah has now been officially invited to visit Pakistan, but New Delhi is not likely to permit him to make such a trip in the near future.]

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Middle East Oil: The solid front that the Organization of Petroleum Exporting Countries (OPEC) has tried to maintain in bargaining with Western oil companies has collapsed. In March, the Iranian Government undercut the Arab states by deciding to accept independently an offer by the companies, and Kuwait has now informed the Kuwait Oil Company that it wishes to begin direct negotiations. The OPEC has recognized this development by formally withdrawing authority from the team it had named to conduct negotiations with the companies.

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THE PRESIDENT

Executive Offices of the White House

Special Counsel to the President

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

National Aeronautics and Space Administration

The Administrator

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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